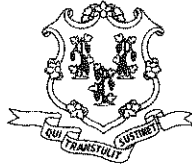


# Connecticut General Assembly



## OFFICE OF FISCAL ANALYSIS

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October 18, 2011

TO: Senator Andrew Roraback  
Representative Tim O'Brien  
Co-Chairs, Regulations Review Committee

FROM: Alan Calandro, Director *AC*  
*cp*

SUBJECT: Review of Agenda Items for the October 25, 2011 Meeting

OFA has reviewed the state and municipal fiscal impact of the four items on the agenda (items 2011-025, 2011-028, 2011-029 and 2010-047b) for the above meeting.<sup>1</sup> The following table summarizes our review.

Reg. #	Agency	Is Agency Estimate of State Impact Reasonable?	Is Agency Estimate of Municipal Impact Reasonable?	Did Agency Submit a Small Business Impact Statement? <sup>2</sup>	Did Agency Submit a Regulatory Flexibility Analysis? <sup>3</sup>
2011-025	DMV	Yes	Yes	Yes	Yes
2011-028	DMV	Yes	Yes	Yes	No
2011-029	DOL	Yes	Yes	Yes	No

<sup>1</sup> CGS Section 2-71c(c)(7) requires OFA to prepare "short analyses of the costs and long range projections of ... proposed agency regulations."

<sup>2</sup> PA 09-19 requires agencies to prepare a small business impact statement on all regulation submittals, effective October 1, 2009.

<sup>3</sup> CGS 4-168(a) requires agencies to prepare a regulatory flexibility analysis statement on all regulation submittals when there is an impact on small businesses.

<b>Reg. #</b>	<b>Agency</b>	<b>Is Agency Estimate of State Impact Reasonable?</b>	<b>Is Agency Estimate of Municipal Impact Reasonable?</b>	<b>Did Agency Submit a Small Business Impact Statement?<sup>2</sup></b>	<b>Did Agency Submit a Regulatory Flexibility Analysis?<sup>3</sup></b>
2010-047b	DEP	Yes	Yes	Yes	Yes

Please contact me if you have any questions or would like additional information.

AC: lmk  
 Regs-Oct25,11-concur  
 Office of Fiscal Analysis



# STATE OF CONNECTICUT

## DEPARTMENT OF MOTOR VEHICLES

60 State Street, Wethersfield, CT 06161

<http://ct.gov/dmv>



### AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Department of Motor Vehicles Date: August 16, 2010

Subject Matter of Regulation: Standards and Procedures for Retraining of Motor Vehicle Operators

Regulation Section No.: 14-111g-1 through 14-111g-14 Statutory Authority: 14-111g

Other Agencies Effected: None

Effective Date Used In Cost Estimate: August 31, 2010

Estimate Prepared By: Allyson Bruce Telephone No.: 860 263 5269

### ESTIMATE OF COST OR REVENUE IMPACT OF PROPOSED REGULATION

Agency: Motor Vehicles Allyson Bruce Fund Effected: Transportation Fund

	First Year	Second Year	Full Operation
<b>Number of Positions</b>			
Personal Services			
Other Expenses			
Equipment			
Grants			
Total State Cost or (Savings)			
Estimated Revenue Gain or (Loss)	<u>(\$ 200,000)</u>	<u>(\$ 200,000)</u>	<u>(\$ 200,000)</u>
Total Net State Cost or (Savings)			

Explanation of State Impact of Regulation: No longer collecting \$10.00 fee

Explanation of Municipal Impact of Regulation: None

Explanation of Small Business Impact of Regulation: Fee collected will increase by \$10.00

Is a regulatory flexibility analysis required pursuant to C.G.S. 4-168a? yes  
See attached.

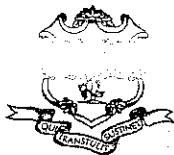
Department of Motor Vehicles  
Flexibility Analysis  
Retraining of Motor Vehicle Operators  
Regulation 14-111g

October 18, 2010

There has been an estimated 20,000 drivers who attended a driver retraining course annually for the past several years.

The fee collected previous to this change included a \$10.00 fee to be paid to the Connecticut Department of Motor Vehicles, DMV. This fee will no longer be collected by the DMV and will remain with the fee collections of the driving school.

The change to 14-111g will realize a revenue loss of \$200,000 to the state of Connecticut and a revenue gain to the driving schools of \$200,000.



# STATE OF CONNECTICUT

## DEPARTMENT OF MOTOR VEHICLES

60 State Street, Wethersfield, CT 06161

<http://ct.gov/dmv>

SAFETY  
SECURITY  
SERVICE



### AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Department of Motor Vehicles Date: June 23, 2010

Subject Matter of Regulation: "Special License Plates and Placards for Persons who are Blind or Persons with Disabilities."

Regulation Section No.: 14-253a-14 through 14-253a-27

Statutory Authority: 14-253a

Other Agencies Effected: None

Effective Date Used In Cost Estimate: June 30, 2010

Estimate Prepared By: Allyson Bruce Telephone No.: 860-263-5021

### ESTIMATE OF COST OR REVENUE IMPACT OF PROPOSED REGULATION

Agency: Motor Vehicle Fund Effected: Special Transportation

	First Year	Second Year	Full Operation
<b>Number of Positions</b>			
Personal Services			
Other Expenses			
Equipment			
Grants			
Total State Cost or (Savings)			
Estimated Revenue Gain or (Loss)			
Total Net State Cost or (Savings)			

Explanation of State Impact of Regulation: None

Explanation of Municipal Impact of Regulation: None

Explanation of Small Business Impact of Regulation: None

Is a regulatory flexibility analysis required pursuant to C.G.S. 4-168a? No



STATE OF CONNECTICUT

DEPARTMENT OF MOTOR VEHICLES

60 State Street, Wethersfield, CT 06161

http://ct.gov/dmv

SAFETY SECURITY SERVICE



Small Business Impact Statement

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the effect of such action on small businesses as defined in C.G.S. Section 4-168a. When such a regulatory action may have an adverse effect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulation: DMV

Subject matter of regulation: Special License Plates and Placards for Persons Who Are Blind or Disabled

14-253a

In accordance with C.G.S. Section 4-168a, staff analyzed the effect on small businesses of the proposed regulations and determined the following:

True False (Check all appropriate boxes):

REVISED: January 3, 2011

- The regulatory action will not have an effect on small businesses.
The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially effected small business. Alternatives considered include the following:
(1) The establishment of less stringent compliance or reporting requirements for small businesses;
(2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
(3) The consolidation or simplification of compliance or reporting requirements for small businesses;
(4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
(5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

The State agency listed above notified the Department of Economic and Community Development of its intent to take the proposed action and completed the Agency Fiscal Estimate of the proposed regulation.

## AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

**Agency Submitting Regulation:** Department of Labor **Date:** 10/28/10

**Subject Matter of Regulation:** Occupational Safety and Health Standard Revisions  
(Cranes and Derricks in Construction)

**Regulation Section Nos.:** 31-372-101-1926

**Statutory Authority:** CGS § 31-372

**Other Agencies Affected:** All State and Municipal Governments

**Effective Date Used In Cost Estimate:** October 28, 2010

**Estimate Prepared By:** Anne F. F. Rugens **Telephone No.:** (860) 263-6755

## ESTIMATE OF COST OR REVENUE IMPACT OF PROPOSED REGULATION

**Agency -** Department of Labor **Fund Affected -** None

	First Year	Second Year	Full Operation
Number of Positions	0	0	0
Personal Services	0	0	0
Other Expenses	0	0	0
Equipment	0	0	0
Grants	0	0	0
Total State Cost or (Savings)	0	0	0
Estimated Revenue Gain or (Loss)	0	0	0
Total Net State Cost or (Savings)	0	0	0

**Explanation of State Impact of Regulation:** See Below.

**Explanation of Municipal Impact of Regulation:** See Below.

**Explanation of Small Business Impact of Regulation:** See Below.

**Is a regulatory flexibility analysis required pursuant to C.G.S. 4-168a?** No.

CONN-OSHA implements a Public-Sector Only State Plan; therefore, there is no small business impact. Adoption of these revisions to existing CONN-OSHA regulations will not require changes in staffing or funding for the Labor Department. In addition, there should be minimal impact on affected state and municipal governments. Adoption of these revisions is required for continued, effective participation in a federally-funded program.

### Small Business Impact Statement

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the effect of such action on small businesses as defined in C.G.S. Section 4-168a. When such regulatory action may have an adverse effect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: CTDOL

Subject matter of Regulation: Occupational Safety and Health, Public-Sector Only

In accordance with C.G.S. Section 4-168a, staff analyzed the effect on small businesses of the proposed regulations and determined the following:

Check all appropriate boxes:

- The regulatory action will not have an effect on small businesses.
- The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
  - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
  - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
  - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
  - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.
- Has the State agency listed above notified the Department of Economic and Community Development of its intent to take the proposed action and completed the Agency Fiscal Estimate of Proposed Regulations? Yes.



# AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

AGENCY SUBMITTING REGULATION: Department of Energy and Environmental Protection

DATE: October 4, 2011

SUBJECT MATTER OF REGULATION: Stream Flow Standards and Regulations

REGULATION SECTION NO.: 22a-141b-1 through 22a-141b-8

STATUTORY AUTHORITY: Section 22a-6 and 22a-141b

OTHER AGENCIES AFFECTED: The major activity during the first three years after regulation adoption will be classification of river and stream segments. The Department of Energy and Environmental Protection (DEEP) will have primary responsibility for classification and will consult with the Department of Public Health on final classification and will seek technical assistance as appropriate from the Office of Policy and Management, Department of Economic and Community Development and Department of Agriculture prior to final classification. The amount of time for agencies other than DEEP is expected to be minimal during the first three years.

EFFECTIVE DATE USED IN COST ESTIMATE: October 4, 2011

ESTIMATE PREPARED BY: Robert Hust TELEPHONE: (860) 424-3718

## SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency: Department of Energy & Environmental Protection Fund Affected: None

	1st Year 2012	2nd Year 2013	3rd Year 2014
Number of Positions	0	0	0
Personal Services	0	0	0
Other Expenses	0	0	0
Grants	0	0	0
Total State Cost (Savings)	-	-	-
Estimated Revenue Gain (Loss)	-	-	-
Total Net Cost (Savings)	0	0	0

EXPLANATION OF STATE IMPACT OF REGULATION: Persons who own or operate a dam that impounds or diverts the flow of water in a stream or river system may be required to comply with requirements to provide for in-stream water flows consistent with the flow standards established in the regulation. The DEEP will employ existing staff and other available resources currently dedicated to water management to implement these regulations. The regulations provides phased-in requirements over

a ten year period that will allow DEEP to implement these regulations including classifying rivers and with compliance. Compliance verification and enforcement will be accomplished with current staff levels.

Impact on state-owned dams is small since most of those dams are operated in "run-of-river" mode which are exempt and will not require structural or operational changes to comply with the new regulations. Of the remaining state-owned dams, only three are consumptive and are also exempt because of naturally small releases and will not require structural or operational modifications to comply with the regulations.

In response to the regulations, regulated entities may seek new or modified approvals or permits from the Department of Public Health and DEEP. It is anticipated that these requests will be spread out over a ten to twenty year compliance phase-in period.

**EXPLANATION OF MUNICIPAL IMPACT OF REGULATION:** The cost impact on municipalities is limited to those municipalities that provide potable water as a municipal service and own or operate a dam that impounds or diverts the flow of water and may have to comply with the regulations. Flexibility in the regulations has been included to reduce municipal impacts including: exemptions; less stringent requirements for certain small water users; allowing for variances; providing for drought off-ramps; extended compliance provisions; protecting public water supply margin of safety; allowing for site specific releases; and providing for certainty to ensure classifications of streams and rivers and the resulting standards will be reflective of current water use by municipalities. A web-based stream statistics mechanism is available to assist in compliance. Development of tools, guidance and assistance will include an on-line reporting system which will simplify compliance and reporting requirements. There is a ten year period in the regulation before any compliance except reporting is required, although municipalities may need to invest in infrastructure improvements during the ten year period. Then a flexible implementation schedule has been established in the regulation to reduce the impact of full compliance. Although affected municipalities are likely to be already providing some required water reporting and compliance information like all other water utilities, the implementation periods will allow time to assess existing water use, current water supplies, and other management measures in order to comply with the standards. The cost to any individual municipality will be highly variable dependent upon the type of supply, adequacy of their current supplies, water conservation, resources that have been dedicated to maintenance of the system in the past, the condition of existing infrastructure and already planned upgrades and repairs. There is a potential for financial support in the form of low interest loans or grants through the Drinking Water State Revolving Fund to offset some costs to municipalities in the future.

September 6, 2011

**NOTIFICATION FORM**  
**DEPARTMENT OF ENERGY & ENVIRONMENTAL PROTECTION**  
**SMALL BUSINESS REGULATORY IMPACT AND REGULATORY FLEXIBILITY**  
**ANALYSIS**

**Title of Regulation**    Stream Flow Standards and Regulations, RCSA sections 26-141b-1 to 26-141b-8, inclusive

**Statutory Authority**   Sections 22a-6 and 22a-141b

**Contact Person**        Robert Hust, CT DEP (860) 424-3718

**The Regulation**

The proposed rules establish narrative flow standards for all river and stream systems in the state. There are also new regulatory requirements for certain dam owners and operators. The proposed rules that are being resubmitted will eventually replace the existing requirements found in the Minimum Stream Flow Standards and Regulations of the Connecticut Department of Energy and Environmental Protection (DEEP), RCSA sections 26-141a-1 to 26-141a-8, inclusive. The proposed rules set forth standards and regulations that begin to balance the needs of humans to use water for drinking and domestic purposes, fire and public safety, irrigation, manufacturing, and recreation, with the needs of fish, wildlife and other biota that also rely upon the availability of water to sustain healthy natural communities.

**Relationship to Small Business**

Some small businesses that own or operate a dam that impounds or diverts the flow of water in a stream or river system may be required to comply with requirements to provide for in-stream water flows consistent with the flow standards of the regulations. In addition, some small businesses that use public water supplies may be indirectly affected by the potential increase in the cost of water as customers of public water suppliers. There is a minimum ten year implementation period built into the regulation before any compliance apart from reporting is required, so there will be little if any fiscal impact to small businesses, directly or indirectly, from these regulations for the first ten years. It should also be noted that this ten year period to comply does not start until after stream classification is completed. However, those few directly affected small businesses will likely need to consider how to invest in potential infrastructure improvements prior to the ten year compliance point. The extended implementation period will allow time for affected businesses to assess the various compliance options and how to most cost-effectively come into compliance. The implementation period also allows the DEEP to use existing staff and other available resources currently dedicated to management of stream flows to facilitate implementation of the regulations by developing technical assistance documents, forms and web-based tools to assist small businesses and public water suppliers with compliance.

## **Regulatory Flexibility Analysis and Impact Reductions**

There was a very high degree regulatory flexibility considered for small businesses. DEEP examined and re-examined flexibility at three distinct points in the regulation development process: during regulation development; during public comment and response; and during the final regulation review. All points included consultation with key stakeholders, culminating in an intense stakeholder process in the spring of 2011. DEEP considered all the methods listed in section 4-168a(b) to reduce the impact of all or part of the requirements contained in the proposed regulation related to small businesses. The measures taken to reduce small business impacts included:

- Narrowing the regulation to include dams only. This approach excludes water supply wells and direct water intakes which make up the majority of all direct diversions by small businesses, and significantly reduces impacts to public water suppliers serving small businesses.
- Extending compliance out ten years from stream classification and providing an additional 10 years for compliance for water systems with inadequate margin of safety.
- Exempting agricultural uses, small water withdrawals (less than 50,000 gallons per day), all diversion permits, golf courses adhering to best management practices, minor withdrawals, and small impoundments.
- Easing release requirements for certain small water users.
- Reducing complexity by eliminating intermediate compliance and variable flow releases except for critical periods and allowing single minimum releases for certain small impoundments.
- Reducing impact on a water supplier's margin of safety and cost of compliance by minimizing releases, reducing water storage impacts, extending compliance time for infrastructure investment and reducing need for new water sources.
- Allowing for variances including drought off-ramps, summer release preservation protocol, and allowing for site specific flow releases to meet standards.
- Increasing certainty by ensuring classifications of streams and rivers and the resulting standards will be reflective of existing water diversions behind dams.
- Simplifying compliance and reporting requirements.
- Providing business assistance by developing compliance tools, guidance and assistance, including a web-based stream statistics mechanism and reporting system.

## **Expected Direct and Indirect Small Business Impact**

Because of the high degree of regulatory flexibility and methods used to eliminate or reduce impacts discussed above, the regulations will have an extremely small direct impact and only a small indirect impact on small businesses. No impacts are expected until after a 10 year period because of the compliance schedule, however those few directly affected small businesses will likely need to consider how to invest in potential infrastructure improvements prior to the ten year compliance point. After that 10 year period, some small business impacts may start to be

felt, however the magnitude is likely to be further reduced by the flexibility in the regulations including exemptions, variances, and compliance times.

There are approximately 97,363 small businesses in Connecticut. It is estimated that only 3 small businesses will potentially be directly subject to the requirements of regulation and directly impacted. Of the 71 water utilities in the state only 1 water utility is defined as a small business that will be directly impacted by the regulation. The indirect impact to small businesses is more difficult to predict as this impact is primarily the result of potential increased water costs on those business served by public water supply. It is estimated that 66% of the total 97,363 small businesses may be served by public water systems affected by the regulation. The potential cost, if any, to individual small businesses served by public water will then be highly variable dependent upon the public water supply source, service area, type of business, and relative water use. It is also dependent on the condition of the public water supply including type of supply, adequacy of their current water supplies, water conservation, resources that have been dedicated to maintenance of the system in the past, and the condition of existing infrastructure. Based on available information it is estimated that 74% of those small businesses that are served by public water will have no or low future water cost increases. Of the remaining 26% that may have potential future water cost increases, it is expected that the flexible provisions in the regulations to help affected public water suppliers preserve current supply yields will further eliminate, reduce, or defer those costs.

There is a potential for financial support in the form of low interest loans or grants through the Drinking Water State Revolving Fund to offset some costs to small water companies in the future, but this is not available to businesses.

Although numerous measures have been taken to minimize negative impacts, the regulation will have some positive impacts related to increases to the efficiency of water use and sustainability of the state water resources. In particular, water conservation and the secondary effects of energy conservation as the result of decreased water use. Also the water infrastructure and operation improvements will create a small number of jobs, including green jobs, of which many may be small businesses.